APRIL 16, 1932



The Weekly Magazine for
MARKETING EXECUTIVES

# SALES management

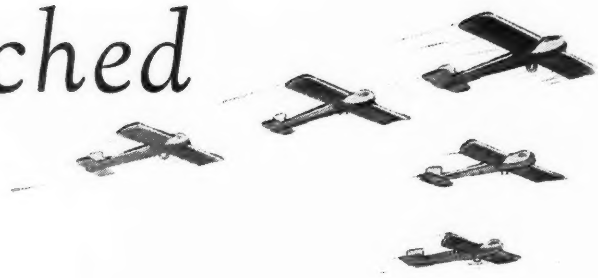
**Industry's Vanishing Profits—a Damning Indictment of Management . . . . . . . .**

**Why Seeman Brothers Salesmen Stick and Make Good . . . .**

**Selling Salesmen the Idea of Trading Up**

TWENTY CENTS

# Adversity hatched a Brood of EAGLES



EVERY CRISIS breeds new leaders . . . men who turn peril into profit, who see opportunity in adversity, who find new ways to overcome new obstacles.

Records of their greater success abound . . . ten textile manufacturers made more money in 1931; four large cigarette makers increased their earnings despite falling volume; two brands of coffee went far beyond preceding years; three makers of beverages showed substantial increases.

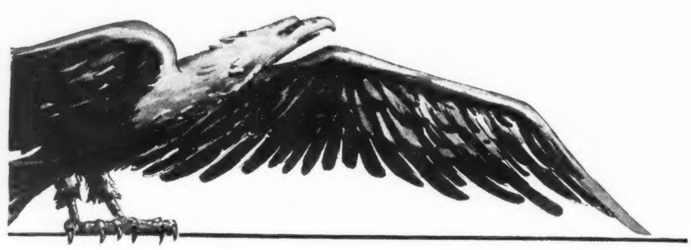
Lists are trimmed, production and distribution synchronized, new products devised, old ones moulded to new uses . . . aluminum is changed from a conductor into an insulator; copper is greened with age in an hour; the glass industry turns to making crystal building-bricks; a hotel finds a new way to win guests.

Most of all, is the increasing realization that *markets* have changed . . . that the "national effort" of lavish years has given place to *concentrated* effort in dense city markets where people still have money to buy; where orders are larger because there are more people to buy; where salesmen make more calls with less waste.

Scores of firms have proved the idea sound; have shown what can be done when selling is backed with the influence of fighting newspapers, trained to enforce *store-door pressure*. . . .

A well-known firm of bakers broke all sales records in New York and Chicago. So did a creamery product. An electrical distributor sold more in a week than in the previous year. An association of meat packers increased consumption 40% in eight weeks.

These are concrete examples of *present-day* selling in the eleven dense markets of 25,500,000 people represented by the Boone Organization. Details are pertinent to almost any line of business.



THE BOONE MAN REPRESENTS 21 HEARST NEWSPAPERS

DAILY

| | | |
|---|---|---|
| New York Journal | | Atlanta Georgian |
| Albany Times-Union | Boston American | Chicago American |
| Syracuse Journal | Baltimore News | Detroit Times |
| Rochester Journal | Washington Times-Herald | Omaha Bee-News |

SUNDAY

| | | |
|---|---|---|
| Boston Advertiser | Rochester American | Baltimore American |
| Albany Times-Union | Detroit Times | Washington Herald |
| Syracuse American | Omaha Bee-News | Atlanta American |

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# The Postman Whistles

## The Giant Laundry Industry

I want to thank you very sincerely for your letter of March 4 and the enclosures you sent to us. I have read over your letter and the articles you sent very carefully, and I am sure that they will help me a great deal. It certainly is a wonderful policy for your magazine to help its subscribers in this manner and we think that this service, plus the very good articles usually to be found in your publication, make it worth many times its subscription cost.

I attended a luncheon recently at which the assistant to the president of the American Laundry Machinery Company gave a talk and showed various reprints from your magazine concerning the progress made by manufacturers of washing and ironing machines. I have never yet seen any articles in your publication showing the progress made by laundries, and surely some progress has been made. The laundry industry is one of the twelve largest industries in the world, according to sales. Its sales have increased from $500,000,000 in 1929 to approximately $750,000,000 in 1931. Our business in 1931 was 13 7-10 per cent ahead of 1930, and so far this year we are approximately 10 per cent ahead of 1931. This, I believe, compares very favorably with other industries.

Usually the salesmen of washing and ironing machine concerns are better trained than the salesmen of laundries. However, we are going to train our route men carefully to overcome objections. I should like to see your magazine publish some articles about the laundry business, and if I can cooperate with you in any way to help you do so, I should be more than pleased to have the opportunity.—*T. A. Warner, Manager, Home Laundry, Washington, D. C.*

(Since the laundry is essentially a retail business, Sales Management does not often touch upon it. The laundry story SM printed, which attracted the most attention, was entitled "Advertising and $10,000,000 Worth of Laundry a Year." It appeared February 2, 1929, and it told the amazing story of how the Chalmette laundry of New Orleans, which was doing a modest business of 4,000 bundles a week, was built up to a vast organization of two $4,000,000 laundry and dry cleaning establishments, and a $3,000,000 concern operating in fourteen cities. Newspaper advertising and vastly improved service were two of the big factors in the growth of the business.—The Editors.)

## Plus Sign from Middle-West

The writer would like to have a copy of "Managing Salesmen in 1932." . . .

It may interest you to know that our business showed a decided pickup all over the middle of the United States during the past month. As we sell to farmers almost exclusively, it would indicate a more optimistic outlook on their part.—*H. W. Keller, American Poultry & Livestock Marking Association, Minneapolis, Minn.*

(That's as good as news comes, Mr. Keller.—The Editors.)

## One More Quality Crusader

I wish to add my voice to the chorus of appreciation of your supplement "Managing Salesmen in 1932." I have found a great deal of important information in it and much of it will be useful during the year. One of the most important and difficult problems we have to face is competition with price cutters. You have published many articles and suggestions that have been helpful. In all of these cases I have passed on the suggestions to our salesmen and have found in my work of management that many of your articles have been extremely helpful. If you were to publish another supplement, I should like to see one on quality selling.

We are endeavoring to manufacture memorials of the highest possible type of artistry, craftsmanship and materials. We believe that it is the shortest line to sound and permanent business development and to profits. Naturally, work of this kind does not admit of price cutting. We are surrounded by a host of price cutters whose product is manufactured down to a price rather than up to a standard. Our experience is that most people want the highest quality in their memorials and we have found that if they can be convinced that there is a difference in quality, they are willing to pay the difference in price.

Practically all of our orders have been taken at a price from 10 to 50 per cent higher than the customer knew he could get the same size and style of memorial for elsewhere. On account of the difference in quality, however, he was willing to pay the difference in price. As a result of this policy, our business in 1931 was 18 per cent greater than in 1930, and 1930 was the best year we had had up to that time. Yet, we cannot be satisfied to rest on our laurels of last year, but are anxiously seeking everywhere for better methods of convincing the customer that there is an actual difference in quality represented by the difference in price.—*Morton M. Newcomb, General Sales Manager, Delano Granite Works, Delano, Minnesota.*

(Mr. Newcomb is apparently thinking along the same lines as Mr. Warburton, whose letter to his salesmen explaining the company's price policy and the necessity for trading up is printed on page 68 of this issue.—The Editors.)

## Taxes—and Paying the Piper

I have just been reading your page of editorials on which, in opposite columns, you present the complaint that competition has opened the door to the super-racket and the sanction for still further competition by that august body, the Supreme Court of the United States.

Rackets are founded on greed and incompetence. Greed is a natural part of our human element. Some control it, others let it run rampant. Those that control it make it work as an incentive toward higher standards and more stable conditions. Those who let it run rampant seek through incompetence and avarice to attain quick results, running roughshod over the roads to success built by more competent leaders. The racket is the weapon of the rampantly greedy. The racketeer is a pretty keen student of human psychology. He knows something of the soft spots in our natural make-up. He knows we are too inherently lazy to study for ourselves, so he capitalizes on our inertia and up to now has made a comfortable living for himself out of it. And until we do some thinking for ourselves he will continue to profit from it.

Justice Brandies points out the pitfalls we have allowed to strew the highway of business. He does not offer a remedy, but does caution us that a remedy is needed. And you ask editorially, "By permitting a multiplication of overproduction can we hope to keep business solvent and to *furnish the revenues with which to sustain government* in all its various forms?" My answer to that is yes, but only if all lines of business are made to pay their proportionate share of the freight. Continue freely to permit any form of human endeavor, but let the individual know beforehand that win, lose or draw he must pay his way, and I think you will find that there will be at least some hesitancy about setting up a business which at best can only upset the profits of those already established.

Of course I recognize that my ideas are political heresy. The politician's tax theory is based on the ability to pay, while mine is based on the duty to pay. The politician adheres to his (1) because it seems to be the most popular and (2) because it hides the real source of taxation from the voter. The politician abhors anything that savors of direct taxes. He does not want his dear public to know they are paying the freight. If they did they might have some caustic comments to make. The stampede in Congress the other day was a shining example of what the politician fears from anything that might enlighten the voter on what he must pay to carry the burden of government. Senator Moses had a name for that coalition, but I think he blamed them on a generation too soon.

My idea is this—let all taxes be direct taxes—let everyone know how much he pays and what he pays for—let them be based on the duty to pay—and let each payee take a direct interest in seeing how they are spent. Forty million interested inquisitors will have a more sobering effect on government activities than a handful of theorists, reformers, favor seekers and campaign contributors. Business men can appeal openly to an interested audience, rather than having to work en camera with a few itching palms, for all the racketeers aren't in civil life.—*George J. Hurst, New York City.*

(Mr. Hurst refers to editorial comment appearing in the issue of March 26.—The Editors.)

## Another Superlative for SM

I read the article by Marsh K. Powers, "Understand the Architect and You Can Sell Him," last evening, and I feel that Sales Management is to be congratulated, for this is the most comprehensive and intelligent article which has ever been published in any magazine on the subject of selling the architect.

We have just written to Mr. Powers complimenting him and asking his permission to use parts of his article, and also asking your permission—of course, giving credit to Sales Management and Mr. Powers.—*Philip H. Hubbard, Vice-President, Pencil Points, New York City.*

(Article appeared SM April 9.—The Editors.)

# Sales Management

Vol. XXX. No. 3 April 16, 1932

## What's New

¶ When we look over the records of the steadily declining profits of our industrial leaders during the past three years, we have no choice but to believe that management has been woefully lacking in efficiency, says C. D. Garretson in the leading article this week. Millions of dollars' worth of profitless sales, unsound price policies, disregard for the simple fundamentals of good business—all these things are a damning indictment of management, says he. Perhaps you'll disagree. Page 62.

¶ Frigidaire's recently announced program for going after the market for low-priced mechanical refrigerators, is a significant movement in that industry. The vice-president of the company explains their new marketing strategy on page 66.

¶ Seeman Brothers of New York (White Rose tea and other products) have no worries about turnover on the sales force. Why they haven't is quite a story. Page 64.



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## This Week

# Significant Trends

*As seen by the editors of Sales Management for the week ending April 16, 1932:*

• • • The best news of the week is an eight-cent rally (up to Wednesday) in wheat, for a lasting "turn" in general conditions is not likely to come until the purchasing power of the farmer is improved. Current indications are that the carryover of wheat next season will decline after seven years of increase.

• • • Other accepted measures of the degree of business welfare showed negative signs during the week. Freight loadings declined 4 per cent from the preceding week, and L. C. L. shipments were 19.2 per cent below the same week of 1921. Steel production continued to hover around 23 per cent of capacity. Production of electric power reached the lowest level in many years. The New York *Herald Tribune* index of general business dropped fractionally to a new low of 53.7—the same week in 1929 it was 116.3. Even those who do not read the financial sections know what happened to share and bond prices.

• • • On the other hand, Woolworth sales in March were within 2.1 per cent of the good month of March last year. Life insurance companies report an abatement in the demand for loans on policies. Bank clearings, both in and out of New York, were up sharply by 39.3 per cent. Dealer stocks of new automobiles on the first of April were 39 per cent lower than last year. Seven hundred and seventy out-of-town buyers registered in New York last week as against 590 in the same week last year.

• • • Hens and boxing fans afford another interesting contrast. In Monday's papers it was announced that fewer eggs were laid per 100 hens on April 1 this year than were laid on that date in any one of the past seven years—and that the Madison Square Garden Corporation, encouraged by the upturn in attendance at their prize fights to believe that the depression was nearly over, had broken ground for a $750,000 amphitheatre to accommodate 90,000 people.

• • • The annual report of R. H. Macy & Company and subsidiary stores shows for the year 1931 a decline in dollar sales volume of only 2.14 per cent, an increase of 13.23 per cent in number of transactions handled, but a decrease in net profit per share of 24.7 per cent. "Volume at any cost" was the slogan of most department stores last year, and Macy is one of the few to show any profit. Profits of the twenty-seven largest stores in the country declined 87.4 per cent from the previous year.

• • • March department store sales, measured by value, declined 20 per cent from last year, and the Federal Reserve Board's adjusted index, based on 1923-25 as 100, fell from 79 in February to 74.

• • • Despite the hold-offish attitude of prospective car buyers who wanted to see the new Ford before deciding on a new car, retail sales during March showed a slight gain over February. General Motors sales were up 4 per cent, and R. L. Polk and Company states that registrations of new cars in the first seven states to report completed figures were up 8 per cent. Car sales of General Motors, while showing a slight and less than seasonal increase over February, were approximately half of last year's March volume.

• • • General Motors, Ford and Chrysler profess to be pleased by the reception given their new lines. Ford is believed to have deposits on more than 300,000 new cars, which guarantees maximum production for at least three months. Plymouth took on an additional 2,500 men this week and is operating at the high production level of last June, when "floating power" was introduced. General Motors announces a 10 per cent pickup in Chevrolet sales since the first of the month. *If* the courageous sales drives of the automobile companies continue to be successful most business men will believe that the back of the depression has been broken.

• • • The A. & P. annual report discloses a net profit second only to the record-breaking year of 1930, a decrease in dollar sales of 5.3 per cent (above the billion-dollar mark, however), and an increase of 7.2 per cent in tonnage handled. Since the first of the year the decline in dollar sales volume has become more accentuated.

• • • The backlog of the United States Steel Corporation declined during March (the twelfth consecutive contraction) and brought the advance bookings to the lowest point since organization of the company in 1901.

• • • The Irving Fisher all-commodity index fell to a new low of 62.5 last week, as against 62.9 the week before. A similar index maintained by the U. S. Bureau of Labor Statistics stood at 65.9 as against 66.2, and *Bradstreet's* index of commodities fell to the lowest point since 1899. The bright side of the picture is that some items are registering advances week by week, the rate of decline is very slow, many commodities are selling well under costs of production, and the *number* of items to show advances is increasing.

• • • Smaller industrial companies have an advantage over their larger competitors in being able to adapt themselves more rapidly to depression conditions. Perhaps this explains why more new companies were formed in New York State during January than in any other month but one in the last two years.

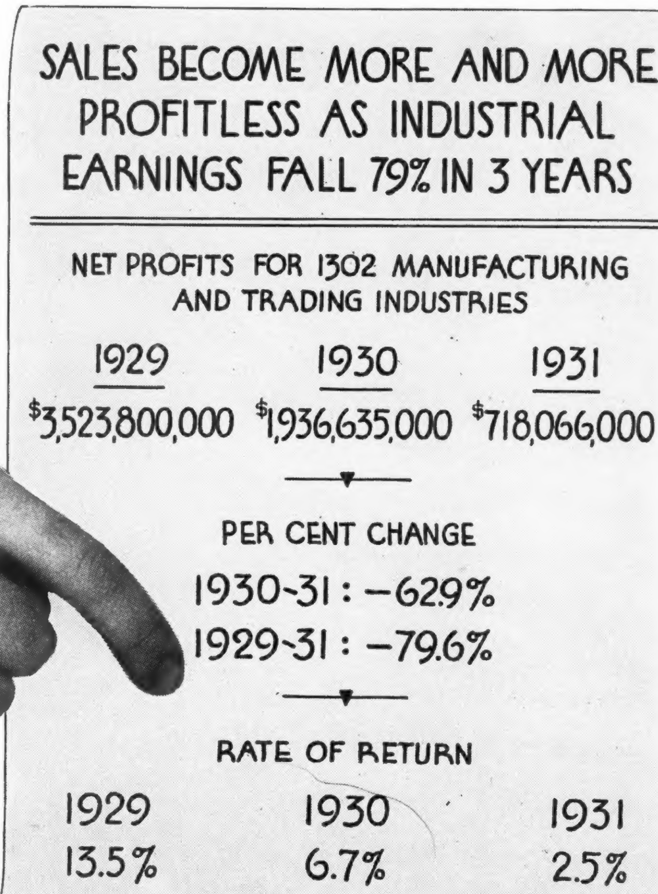
• • • Well-informed men do not expect any widespread revival in building operations, but indications are that the trend in the second quarter will be moderately upward from the present extremely low level, whereas last year the trend was downward after March.

• • • Sixty blast furnaces were in operation on the first of April as against sixty-nine at the bottom of the 1921 depression, but the average output rate per furnace has increased from 408 tons a day to 514.

• • • Charles M. Schwab's perennial optimism is not checked by the fact that Bethlehem is not earning its preferred dividend. "Bad as things are, and blue as everybody is at present, I am still an optimist on the outlook of the country and our company."

As told to James True

BY C. D. GARRETSON
*President, Electric Hose & Rubber Company, Wilmington, Delaware*




*Figures quoted in the accompanying illustration are from the April issue of the magazine issued by the National City Bank of New York, in which business profits for 1,620 concerns for the years 1929-30-31 were summarized.*

# Has Management Failed?

LOOKING backward from depression to prosperity, it appears that our proud and boasted American business management has lamentably failed. From 1914 to the fall of 1929 may be called our Golden Era of Management, for, during that time, the salaries and bonuses paid to managers who were caught in the increased volume broke the records for all time. Also, during the latter part of the era, we heard a good deal about profitless prosperity, an indication that many of these managers were sacrificing profits in their mad scramble for bigness.

While business was riding the crest of the prosperity wave, management not only demanded a large share of profits, but took full credit for the apparent success of American industry. And now there is no logical reason why management should not accept the blame for the mess we are struggling through.

The truth is that management made a great many serious blunders during our Golden Era—blunders that are now being paid for. It is also true that management is still making the same old blunders, and unless all signs fail it will continue to make them until it eliminates a large number of fat management jobs by ruining the companies that furnish the jobs. Obviously, our period of prosperity endured in spite of, rather than because of, management, and we shall have to reorganize our methods if we are going to prevent a return of present conditions.

The state of my own industry, I am convinced, is due to causes made by false management. As soon as the first symptoms of depression appeared, management dug itself in with the same methods that had contributed to depression by creating distrust and losses throughout our distribution. It is the same with the industries we sell to and buy from, and, according to my observation, it is about the same with all American industries.

For many years capital and labor engaged in squabbles that were very costly to both sides. About the beginning of our last plateau of prosperity management stepped in as the umpire and, in adjusting the differences between capital and labor, management apparently did a good job.

However, this change came when American business was on the upgrade, and after the discovery that prosperity largely depends on the profits of labor. But management plumed itself with the claim that it alone was responsible for the change.

Now capital, the employer of management, is not getting a fair return. An abnormal number of business failures and the annual statements of the great majority of all business firms prove this statement.

Labor, certainly, has not had a fair deal from management. To reach conviction on this phase of the subject we have only to consider the fact that during last winter more than 8,000,000 workers were unemployed. As to both capital and labor, management has demonstrated that it is effective only as long as abnormal inflation counterbalances the blunders and un-

economic methods of management.

The cause of these discouraging results had its genesis early in our Golden Era of Management. Production had been perfected to a point where it was largely automatic and practically unlimited. Then management operated on the fallacy that if prices were lowered sufficiently there would be no limit to consumption. So management went after large orders by cutting prices first in order to attract volume, and now we find that somehow or other it did not work.

The mass distributors—mail order and chain stores—offered large volume orders, and manufacturers climbed over one another to sell them at the buyer's price. During the last three years no manufacturer in my industry has sold these outlets at a profit, and on the greater part of the so-called mass volume our manufacturers have lost money. Yet the game goes merrily on, and the pressure of the mass buyers is allowed steadily to increase the manufacturers' losses.

This condition prevails in many industries, and it could not continue if the manufacturers did not require their independent buyers to pay prices which virtually subsidize the mass distribution. In other words, the independent distributors are required to support, through the prices they pay the manufacturers, their cut-throat competition.

Then we had the introduction of reciprocity buying, a practice that has laid a heavy hand of preventable loss on the distribution of a large part of the country's total volume. Business managers who were paid enormous salaries and bonuses established the rule of buying from those who bought from their companies. This sort of back-scratching appears to be a nice friendly arrangement for the increasing of volume; but in practice it is a money-losing demoralizer.

Innumerable instances of losses due to delay in procuring reciprocity goods have been called to my attention. Quality in many lines has deteriorated because engineers and designers are denied the right, through reciprocity agreements, to specify the materials they know are best. Delays in finishing goods have eaten up many millions of dollars in interest. A large book could be filled with experiences that prove the costly uselessness of the practice; but under our present management reciprocity buying still flourishes.

Recently a large manufacturer refused to renew his contract with us, explaining that he had joined the reciprocity army. We had bought nothing from his company during the past year, therefore he would buy nothing from us. During the discussion he mentioned that his company had received a very large order from one of our competitors, and that he had to return the compliment with his orders for industrial hose. He also told us our prices were too high. As it happened, we knew that his company had sustained a heavy loss on the order mentioned, which he admitted; so we asked him to add his loss to our competitor's price, and then tell us whose price was too high.

It is in pricing, however, that management has made and is making its most disastrous records. As losses on sales increase, the stocks of most of the companies in our industry continue to decline, and on this very important phase of the business we find that management does not function, for on a large part of the volume of the industry the prices and terms are dictated by mass distributors. And, on much of the rest of the volume, our high-priced managers sell their products at prices fixed by the smallest and most unintelligently managed companies in the industry, for they feel that they must maintain their prestige by meeting price competition.

Recently I received a sample of a new garden hose produced by one of the largest rubber manufacturers in the world. A letter from the management quoted the prices that this hose is sold for, and not only is the margin insufficient for the distribution of wholesalers, but the manufacturer is sustaining a loss on every foot sold.

The management of this company insists that it must put out this inferior product and sell it at a loss, in order to meet competition. A few years ago no reputable manufacturer would have produced anything of such inferior quality; but under present management a leading manufacturer not only produces the hose and sells it at a loss, but defends the action on the ground of maintaining prestige.

In my thirty-five years of business experience I never have seen anything so inconsistent and unsound as the price competition that management has engaged in for several years. As typical of a great many instances, during the last year four manufacturers have swapped one of our former customers, with whom we are very close, on a price basis. One manufacturer undersold us and took this industrial customer away from us. Soon after, another manufacturer quoted a lower price and got the account. Then number three sold the customer by quoting a still lower price, only to be undersold by a fourth manufacturer. Now, I understand, the first manufacturer has taken the account away from number four at a price far below his cost.

The highly paid managers of these companies say that it is necessary to cut prices in this way, in order to hold their accounts and maintain the prestige of their companies. However, I have never known a cut price to hold a customer, and I fail to understand how prestige can be maintained by a practice that places manufacturers'

(*Continued on page* 75)

C. D. Garretson

**Here is a vivid picture of an industrial leader looking at business from the cold point of view of a man who has been asking, "Who is responsible for this prolonged depression?" . . . In spite of brilliant individual achievements, he points out, the collective record of modern management is a disgraceful history written in the red ink of billions of dollars' worth of profitless sales.**

# SELLING Is A LIFETIME JOB at Seeman Brothers

BY

ETNA M. KELLEY

A SALESMAN for a wholesale grocery company was complaining about the poor state of business and bemoaning his fate in general: the chain stores were making it hard for some of his retail grocer customers; some were falling behind in payments to the house and he was losing volume for credit reasons; the depression had closed some of the restaurants he had been supplying. But what worried him most of all was the stiff competition offered by a rival wholesale grocery house—Seeman Brothers, distributors of White Rose food products.

"It's like this," he said earnestly. "When my company makes an error in a delivery, a letter of apology goes out from our sales department about four days later. But if Seeman Brothers discover a mistake, Billy Seeman himself jumps into his car and takes the right goods to the customer; he goes into the store and pulls the wrong cans off the grocer's shelves and replaces them with the ones the fellow wants. Now what can you do about competition like that?"

It is probable that such an incident never occurred; if it did occur, the case was extreme. Nevertheless, any Seeman salesman will tell you that it *could* happen; Seeman customers believe it *could* happen; and there is a general belief among salesmen competing with Seeman Brothers that it takes dynamite to dislodge a Seeman customer from that house.

This feeling is not the result of an accident, but rather the cumulative effect of forty-five years of a goodwill-building policy which was not deliberately conceived as such by the founders of the company, but which came into being in a natural manner. It dates back to the year 1887, when the four Seeman brothers, mere upstarts in the wholesale grocery world at that time, set themselves up in a field numbering, in New York alone, several well-established firms and about thirty other young companies also embarking into the jobbing industry. With an uncanny flair for selecting loyal employes and a willingness to work hard and long, the Seemans laid the foundation of an organization which has grown and prospered beyond their dreams.

It is well known that the turnover among salesmen for food companies is usually notoriously large, which makes it a matter of comment that the Seeman salesmen almost never resign—and a dismissal is equally rare. Most of the salesmen have been with the organization many years; some are young in actual years, but old in service—indeed, there are Seeman salesmen who have never worked for any other company. At the company's fortieth anniversary dinner, given six years ago, a roster of thirty salesmen who had been with the organization more than twenty years totaled 804 years of service for the group, an average of twenty-six and four-fifths years per man. Since that time six men have died and one has retired. The rest are still going strong. Of course, it might be said that if a man stays with a company for twenty years, his chances of resigning or being dismissed are small. Nevertheless, during the past three years many companies have forgotten sentiment and dismissed employes of even more than twenty years of service. Since the company is now six years older, the average number of years of service per salesman would be considerably higher.

When asked why they have not changed their positions, Seeman salesmen reply vaguely, "It's like home here," or "They treat you right here," or "They let you alone." The last answer is probably the key to the situation, for most salesmen are individualists and like being let alone. And the Seeman policy is to let them alone, so long as their sales are satisfactory and their behavior not objectionable — a sort of benevolent laissez-faire policy which *actually works*.

Why are White Rose foods so well represented on New York grocery shelves? The answer is not simply quality, for other companies backed by quality are experiencing rough going nowadays. White Rose foods are on grocers' shelves (which is synonymous with housewives' pantry shelves) because the Seeman salesmen put them there; or, in other words, because of this combination: *a sales force thoroughly "sold" on the Seeman organization and products; and the service and cooperation which the company—in all its departments—gives to both salesmen and customers.*

**If you mention "turnover on the sales force" at Seeman Brothers, the executives will ask, "What's that?" For here is a company that hasn't any such problem. Men who join this concern stick and succeed. The reasons behind their loyalty and enthusiasm are explained in this article.**

One example of the democratic spirit at Seeman's is the so-called "jury" system by which territorial disputes are settled, not by sales executives, but by a jury of salesmen to whom the case in question is presented without mention of the names of salesmen involved. Disputes among grocery salesmen arise almost daily for the following reasons: it is not practicable to zone the men in New York City, since grocers move about and open new stores frequently, usually wishing to retain their particular salesman from a given house. Also, there is less chance of neglecting potential customers when salesmen are allowed to free-lance—an important factor, as there are often five or six retail outlets for a food company in one block. Then, too, grocery salesmen like to specialize: groceries, delicatessens, restaurants, hospitals, steamships and hotels, each attracting a particular type of salesman. But because there is no zoning system, disputes frequently arise. "That's my customer," says Salesman A, "I've sold him for ten years on Ocean Avenue." "He's mine," retorts Salesman B, "I've built up the store he's moved into from a $30-a-week account to $1,000 a month. Every woman in that neighborhood uses White Rose." To an unbiased observer, both salesmen have legitimate claims to the account, and it would take a Solomon to render a just decision. The Seeman sales executives sidestep this difficult problem by summoning a jury of several salesmen, to whom the case is presented hypothetically, the terms "A" and "B" being substituted for the names of the claimants, so that members of the jury will not be influenced by friendship in their decisions.


The jury system is not perfect. As one man remarked, "They decided against me once when I felt sure I was entitled to the account. I don't complain, though, because, after all, decisions are right oftener than they are wrong—and it's the fairest system we know of." The chief advantage of the system, however, from the standpoint of the company, is that it eliminates grudges and grumbling against the sales department.

Another Seeman custom which fosters loyalty is that of considering a salesman's route as his private property.

If he dies, the route is sold and the heirs receive the purchase price, which is usually the combined total of the territory's earnings (on a commission basis) for six months. If a man falls ill or wishes to resign for any other reason, he may sell his territory, the house reserving the right to buy it back from the new man if he fails to make good within a reasonable length of time. Frequently the company negotiates the sale, sometimes advancing the necessary funds to the buyer and allowing him to repay from his monthly earnings. There is not much chance of a good territory drifting into the hands of a poor salesman—the latter would not ordinarily be able to raise the purchase price. If a territory has been producing an income of $300 a month, its value would be estimated at $1,800. Since the officials of the company would not advance funds to an inexperienced salesman or one with a poor record, such an aspirant would be forced to furnish cash which he had saved, inherited or borrowed; and most men would hesitate staking the sum on a territory without a reasonable hope of being able to hold the pace set by the retiring salesman.

Territories are sometimes split up, each buyer paying for his proportion of accounts. Occasionally a salesman sells one account, or a certain strip of it, which he finds it inconvenient to cover. A man bought an account for $24 (it had represented a sales volume of not more than $90 per month for some time past). "Two months after I bought the account I had sold that grocer $1,800 worth of White Rose merchandise," the salesman reported. When asked why he wanted the customer, he replied, "Some of my competitors were doing well in the store and I had a hunch our line would go over even better if I could get it started."

One salesman, still in his thirties, started with Seeman Brothers twenty-two years ago at four dollars a week. He worked in various departments before entering the selling field, so that he had an unusually good background for a salesman. (The food business is one where knowledge and experience are of exceptional value.) This man's commission checks would cause many a bond salesman to turn green with envy. On the other hand, he sometimes works twenty hours out of the twenty-four, which would be unthinkable for the average bond salesman. He is known for his ability to sell large orders to his customers. "I never hurry away from a store; I'll give any customer as much time as he'll give me," he explained. "Do you write your orders directly on the order pad, or do you take notes and transfer them to the pad later?" he was asked. His reply was, "I write them on the order pad when they aren't too large, in order to save time. But if they're large I take notes, because if a man sees you turning over page after page of an order pad he thinks he's buying too much and he stops."

This salesman praised the Seeman policy of encouraging, even demanding, that two lines of the order blank be taken for writing each item. Most grocery houses would consider this wildly extravagant, but Seeman Brothers think the added expense is justified by the reduction of errors on the part of shipping and billing clerks. Since an order pad measures approximately $8\frac{1}{2}''$x$11''$, is of good quality paper (it must be, as it is handled by several different departments), and only eight items can be written on a page—the average order requiring four sheets—at least a thousand pads per week are required by the sales

(*Continued on page* 75)

*A rare photograph: Mr. Newell at his desk. Most of the time he is out helping dealers and their salesmen to sell. Keeping dealers prosperous, he thinks, is probably his biggest job.*

BY
LAWRENCE M.
HUGHES

# Young Mr. Newell Starts Out to Widen Frigidaire's Market

**Frigidaire is the first of the larger mechanical refrigerator companies to tackle the under-$3,000-a-year income market. Their new "Moraine Line" is being offered at prices ranging from $130 to $175. The dealer's ability to make a satisfactory profit on the new line is the keystone of the new sales plan, outlined here.**

THE air of the March day was frigid, too. But up in Parlor L, on the thirteenth floor of the new Waldorf-Astoria, things were cozy enough. The drone of the Park Avenue traffic below, the gray city in the graying dusk were soothing, from within. The executive stretched out his long legs and relaxed after another hard sales convention. The reporter borrowed a pencil, contemplated the ice cubes in the bottom of his glass and relaxed, too. To him it was a good setting for an interview.

The man to be interviewed looked promising. He was unexpectedly young. The reporter could not recall another vice-president in charge of sales of a company selling products with a retail volume of perhaps $100,000,000—with the responsibility of keeping 5,000 dealers and 10,000 other retail salesmen on their toes—who was only 34.

Herman Wilson Newell, however, seemed to be bearing up well under his responsibilities. He seemed to enjoy them. He looked a bit tired—but resolute and enthusiastic. He seemed to know what he was doing. Many an older executive whom the reporter has interviewed could not define the problems, the probabilities, the program more clearly.

The fact is that Mr. Newell, vice-president of Frigidaire Corporation these last two months, was then engaged even in enlarging his responsibilities. He was out to add, for example, some 1,500 dealers. He intended greatly to increase the unit volume of his company's products, by opening up a lower-priced market in a way which none of the larger automatic refrigerator makers had yet adopted.

To sell refrigerators profitably at $130 to $200, at retail, one had to have volume—a lot of it. Mr. Newell intended to get that volume. He believed that the public would appreciate bigger values when they were brought forcefully and consistently to their attention. He intended to see that the dealers, the utilities, the distributors, the factory made more money in the process.

"Our program of greatly reduced prices might seem like a gamble to some," he admitted. "But really the only gamble we are taking, in my opinion, is our ability to *tell the public what we are doing*—through personal selling and through advertising."

Young in years, Mr. Newell has had the training and experience to qualify him for his new job. Until recently he has been manager of the Frigidaire Sales Corporation of New England, composed of 1,400 dealers and salesmen. His organization's unit volume in household Frigidaires the last several months of 1931 was 45 per cent above that period in 1930. Nearly all of the New England dealers are making money. His policies, nationally as well as regionally, are built with the dealers' welfare in mind.

Called to Dayton recently, as Frigidaire vice-president, he evolved these sales policies:

"1. To recognize the problems of the dealer and salesman and to shape our plans and policies to the practical solution of those problems in every way we possibly can.

"2. To obtain for Frigidaire in 1932 a substantially larger portion of the total electric refrigeration business.

"3. To establish as a paramount issue 'the making of money,' and so to construct our sales programs and management policies that every salesman, dealer and distributor in our field organization will make for himself the maximum amount of money out of his Frigidaire business."

Mr. Newell took charge at Dayton, under E. G. Biechler, president and general manager, on January 27.

On March 7 advertisements in newspapers throughout the country announced a new Frigidaire - Moraine Line "for as little as $130 f.o.b. Dayton." This figure was materially less than the price at which a Frigidaire had ever been sold before. Though the "$130" was conspicuous in the copy, the headline was the corporation's slogan "Advanced Refrigeration."

"The basis of the new prices in our program," Mr. Newell said, "is the policy of General Motors of passing economies effected by large scale production on to the consumer.

"Our plans call for the continuing of our white porcelain Frigidaire line which we sold in 1931 at prices of from approximately $200 and up. This line is for the most discriminating buyers. We expect to maintain our volume on this line," he said.

"Then, in addition, we are going after a new market—a market which is largely undeveloped. It is the lower priced market among families which have an income of less than $3,000. We think they all need electric refrigerators and want them, but price has stood in their way.

"With our new Moraine Line of Frigidaires we expect to supply this market with refrigerators of Frigidaire's standard and quality and dependability at prices ranging from $130 to $175 f.o.b. Dayton.

"These Frigidaire-Moraine models will be manufactured on a large volume production basis. In setting these low prices we have taken into consideration the economies accruing from the increased volume production in our Frigidaire factories. The customer is getting the benefit.

"Our dealers receive the same discount on all our lines. We want our dealers who manage their business well to make money, stay in business, continue to represent us year in and year out, and give our customers good service.

We are also increasing their sales opportunities with a complete line of air conditioning equipment for homes, offices, restaurants, dress shops, etc. This, we feel, will be a new industry in itself.

"To show the public our confidence in this new service, we are guaranteeing the equipment for three years. Also we are putting a three-year guarantee on other commercial equipment.

"Getting back to the reduced prices on our household line: It seemed to us in the sales department that thousands upon thousands of people would buy Frigidaires if we could price them down to their 1932 incomes. Now, there are two ways to get lower prices. First, through cutting corners in quality or in dealer discounts; or, second, through tremendous volume production.

"We decided on the latter course. Some of our executives were skeptical at first. *A Frigidaire for $130!* Our first job was to sell the production managers, our cost accountants and our comptroller. They arrived at the conclusion that the thing could be done if the sales department provided enough volume. I don't think any sales department ever had such cooperation as we received from our production and financial managers. We were all striving and thinking toward the same objective—that was the reason. Next, we had to sell our president, Mr. Biechler. After careful deliberation and discussion, he approved.

"Then, we set out to create a sales plan that would get that volume. The plan was based primarily on the maintenance of Frigidaire quality, and our appeal to the public was: 'A Frigidaire—with all its dependability and known value, for only $130 f.o.b. factory.'

"Our next step was a study of our dealer outlets to be sure that we had proper coverage to make the sales contacts with the public, and put our story across.

"First, and foremost, we wanted to assist our present dealers to increase their volume and make more money. Our plans called for their putting on more salesmen and more associate dealers.

"Then, where we needed additional dealer coverage in order to do the job well, our distributors and branch managers set out to get them.

"We feel that the large department stores and furniture stores have never been developed in the refrigeration business.

"We set up a new department store division, manned by new men in our organization, who have had department store experience. We have a new standardized department store contract with a discount that enables the store actively to develop a refrigeration department and make money for itself.

"More central stations will sell

(*Continued on page* 78)

## *H. W. Newell, at* 34, *Has Been Selling for* 18 *Years*

H. W. Newell has been selling since he was sixteen. He was a high school sophomore at Bellefontaine, Ohio, then.

Young Newell, it seems, wanted an automobile. His father declined to buy it, but agreed to loan him $1,000 to help him get into the automobile business.

The Paige-Detroit distributor at Dayton gave him the Logan County, Ohio, agency. He contracted to take twelve cars that year and drove home in his demonstrator. The next week he rounded up five friends of the family interested in buying cars and gave them demonstrations. He then got them all together at the same time.

"If you will all sign an order," he explained, "you each can have $100 off the purchase price." Four signed.

The Paige-Detroit factory sent him a letter of congratulation and an offer to go 50-50 on local newspaper advertising. Copy was enclosed. The suggested schedule would cost quite a bit of money. Newell hesitated, but his father said, "You are in business now. You will have to advertise." The first half-page advertisement, with his name an inch high, frightened him. But he got used to it—sold eighteen cars that year.

The next summer he heard R. H. Grant and C. F. Kettering (now vice-presidents in charge of sales and of research of General Motors Corporation) talk at a Delco-Light sales meeting at Dayton. Newell was impressed. Their personalities attracted him and he was sold on the idea of attempting to sell Delco-Light plants as a sideline to farmers as he contacted his automobile prospects. So he took on Delco-Light plants, too. The next year he dropped automobiles, to sell them exclusively.

High school over, he went to Dartmouth, was graduated and then spent one extra year at Amos Tuck School of Business Administration and Finance. He did Delco-Light selling during his summer vacations. He has been with Delco-Light and Frigidaire most of the years since.

# Lifting the Sales Force above the Price Scramble


BY

JAMES H. WARBURTON

*Sales Manager,*
*The Marietta Chair Company,*
*Marietta, Ohio.*


(The following statement about Marietta's attitude on the subject of price cutting and lowering of quality standards as they are being practiced so widely in industry today, will be of interest to every company executive whose salesmen are complaining "Our prices are too high." The comments printed below are excerpts from a confidential bulletin sent by Mr. Warburton to his salesmen on the occasion of the introduction of a new spring line.—THE EDITORS.)

HERE are some facts on the price situation that any sane business man must recognize. We do not propose to kid ourselves or our customers on where we stand. We can not bring ourselves to believe that it's wrong to make better merchandise and sell at a fair price.

*James H. Warburton*

A manufacturer can operate on a downgoing market just so long, and then he will come to the parting of the ways. He can do one of two things: further reduce prices and go broke, or he can step out of the crowd and refuse to follow the price cutters. He can do more—if he has the courage of his convictions he can improve his quality and fix his price where it belongs, for a living profit.

We, like every other manufacturer of known quality goods, have been under constant pressure to reduce quality so that lower costs would be reflected in lower prices. But regardless of the profitless prices on the line we are now discontinuing and the trend throughout the industry to slash construction standards, we have insisted upon maintaining our own quality standards, all the way through, because our reputation has been built upon these standards.

To have followed the route of price cutting—one cut after another—would have meant the abandonment of these quality standards and the sacrifice of a reputation which many years were required to build. We deliberately turned our back on that dangerous route. Our future markets were at stake and we declined to risk our prestige through pressure or a desire to take the easy and apparently popular way out of a temporary market situation. We were and still are convinced that lower standards would act only as a boomerang.

The buying public is divided into these major groups: the very rich, the rich, the middle class and the poor. Shrinkage of income may drive each upper group down the scale a bit, but this driving is forced. It goes against the grain of the consumer who is accustomed to trade up and not down. If he must step down, the step is taken grudgingly. The manufacturer who follows him can not step up again so easily.

There is a mass of proof that the public is tired of cheap goods and that people have learned that, at any time, they get only what they pay for, allowing, of course, for such price adjustments as come with lower production costs. But drastic price cuts can no longer fool that part of the public which is willing to pay a fair price for dependable merchandise and service.

Convinced that we have correctly estimated the trend of the public mind, we are determined to make no departure from our long-standing policy to "give even better quality than the consumer asks." Our new line, if anything, will be better in construction, finish and design than ever before. We have studied our cost and have arrived at prices which are fair to our customers and ourselves and which will enable us to maintain our quality standards.

Our new prices will be guaranteed against decline for a reasonable period of months. A down-going market always robs those who operate in it of confidence. Buyers are without faith. They are afraid to go ahead, figuring that goods bought today will have to be written down tomorrow. Depreciating inventories are always a bugbear. Our guaranteed prices will assure dealers that they can buy without fear of markdowns. This strong price policy will help the trade as much as, if not more than, ourselves.

What we are doing now is making a strong bid for greater confidence all around. When we stand out of the crowd and offer an improved line at fair and livable prices we are putting competition on the defensive. Unless it can justify itself on the same grounds, it will have to confess that, while its prices may be lower, its merchandise is also inferior.

Business has never been nor ever will be conducted on a "something-for-nothing" basis. If we ask more, we realize we must give more. Conversely, those who ask less, expect to and of necessity do give less. Repeat business can not be built on unsatisfactory merchandise, no matter how cheaply priced.

Our new line has been designed and is being built for the better class trade and for those homes that are accustomed to good things and know and want something better than they have had before.

For instance, there will be more items in the new line finished in Durable Duco than we've ever offered at one time. We have signed a year's contract with the duPont Company for our finishing materials. We expect to use a lot of the world's best finish. This is right in line with what has been said about our improved line—in design, construction and finish.

• • •

Of his policy, Mr. Warburton this week stated: "The proof of the pudding will naturally be in the selling. If we have misjudged the market, with particular reference to the turn toward better merchandise, obviously it is going to cost us a lot of money, but we are going to prove our case one way or the other. We believe we are right, or we wouldn't have the nerve to step out of the crowd. For one thing, ours is one of the few factories in the entire furniture industry that has operated without shutdown through the depression. We have taken care of all of our people and at the same time our inventory is lower than it has been for a long time."

# Forty Purchasing Agents Name "Major Faults" of Salesmen

ST. LOUIS—Badly selected, untrained, apologetic, purposeless, ignorant, "over-friendly" and high-pressure salesmen may be some of the reasons why some companies' orders just now are not up to par.

At least these are listed among the "thirteen major faults" of today's salesmen in a resume of opinions of 40 St. Louis purchasing agents, presented by Lee J. Bussman, purchasing executive of the Bussman Manufacturing Company, Buss lights and fuses, at a joint meeting of the St. Louis Sales Managers' Bureau and Purchasing Agents' Association here last week. Mr. Bussman was chairman of the committee in charge of the survey. Among the faults are:

The badly selected salesman. This man, said the purchasing executive, has not a chance. His type has increased considerably of late, due to the fact that many men who have never sold before are hard pressed and are selling on a small commission basis.

The untrained salesman. Into this group go the largest percentage of salesmen who fall down before the purchasing agents.

The apologetic salesman—the man who just "dropped in." There are a lot more of him than is generally suspected. He comes in, defensively, rambles in his conversation. Often he does not mention his name or company's name, and when he leaves the purchasing agent may not know what product he is selling.

The salesman with no objectives. Too many representatives call too often, Mr. Bussman added. They make monthly calls on a company that can buy their products only once in six months. This type works on the basis that if he makes a certain number of calls daily or weekly, he is bound to get a certain amount of business.

The salesman who talks about everything but business. He spends 18 of a 20 minutes' interview talking about golf, the depression and whatever. During the last two minutes he recalls that he came to sell.

The "personality" man—the good fellow who wants to take you to lunch. He slaps the prospect on the back, laughs loudly, and usually tells his stories in a voice sufficiently loud for the girls in the office outside to overhear them. However, the purchasers believed, this species is disappearing. It dates back to the prosperity days.

The high-pressure salesman, who makes a lot of general statements and unsupported claims. He is surprised when the purchasing agent asks for facts to back up these claims and is apt to sidetrack the issue by chiding the purchasing agent as too technical.

The salesman who knows too little about his own product and its uses. The purchasing agents pointed out that the salesman should be able to answer questions about how the product is used and where—how it lines up with competing products. They thought too many salesmen say: "I'll get that information from the laboratory."

The salesman who knows too little of the prospect's uses or need for the product. His only aim is to sell his product and he tries to do this without any particular effort toward meeting the prospect's problem.

The man who counts on his personal friendship with the purchasing agent. "Let me work this out, Joe," says he. "I'll treat you right." Usually he is an older man, who has been selling for 30 years and thinks he knows just what the prospect wants.

The salesman who wants an edge on competitors—and always tries to learn what the other bids are.

The salesman who knows the boss—all the executives in fact—and tries to sell everyone in the organization but the purchasing agent.

## *City Ice & Fuel Tackles More Ice-Box Markets*

CLEVELAND—City Ice & Fuel Company, largest factor in the nation's ice business, with plants in 26 states and Canada, is opening refrigerator sales departments in eight more cities—Columbus, Dayton, Pittsburgh, Buffalo, Albany, Miami, Sandusky and Flint.

The new departments, merchandising ice-using equipment, have been installed as a result of successful tests carried on at St. Louis, Cleveland and Cincinnati. Assembly halls, under the supervision of home economists, are being maintained by the company in these cities, wherein women's groups are given instruction in dietetics and the preservation of food. It is planned eventually to extend the plan to all cities in which the company operates.

## Industries More "Liquid" Now Than in '21 Slump

WASHINGTON—The financial position of American industrial corporations today is much more liquid than in the depression of 1920-21, Ernst & Ernst, nation-wide accounting and auditing service, pointed out in a bulletin this week, analyzing 468 companies for both periods.

At the close of 1931, it was pointed out, the ratio of current liabilities less inventories for these companies was 3.82 to 1. At the close of 1921, on the other hand, the ratio was 1.87 to 1.

"This improvement," it was said, "took place despite dividend payments by these companies relatively larger in 1931 than in 1921.

"Dollar value of inventories for the 468 companies at the close of 1931 had declined 25.47 per cent from the close of 1929, and for the same companies at the close of 1921 inventories had declined 26.29 per cent from the close of 1920."

## Redfield Replaces Olds as Hills Sales Chief

NEW YORK—William F. Redfield has been appointed general sales manager of Hills Brothers Company, importer and packer of Dromedary food products, here.

Formerly managing director of Dromedary, Ltd., in charge of distribution of Dromedary products in Europe, Mr. Redfield more recently has been sales manager of the eastern division, as well as manager of export sales. He succeeds George D. Olds, Jr., resigned. Mr. Olds, a former president and still director of the Associated Grocery Manufacturers of America, will announce his plans soon.

William F. Redfield

# Consumers' Research Grows Big —Almost Without Advertising

NEW YORK—With 35,000 subscribers in this country and a few in Egypt, Japan and way points who are now interested enough in their favorite brands of automobiles, prunes and what not to pay $2 a year to ascertain whether or not they are worth the money, Consumers' Research, Inc., here, is becoming a sizable business. Though it has started, very modestly and tentatively, to advertise, it is not yet sold on the methods of big business. It is still a social agency. And the advertising probably will not be continued.

Small space recently has been taken in three magazines, but nearly all of the 35,000 wrote in as the result of suggestions from contented readers. The reports being confidential, they had to—if their interest in getting the lowdown on the things they bought was great enough.

The authors of "Your Money's Worth"—Stuart Chase and F. J. Schlink—also had some reputation to build on when they launched Consumers' Research. For the first couple of years Mr. Chase (who wrote three-fourths of the book) was president and Mr. Schlink (who supplied nine-tenths of the information for the book) technical director. Mr. Schlink is now president. The president is elected by the directors for a one-year term and it is quite possible that a third person may be in charge next year. Mr. Chase remains a director. The work is sponsored by a committee of some 50 prominent men and women in education, engineering, social service, editorial and other work—among them John Dewey and Wesley Mitchell of Columbia University, Norman Thomas of the League for Industrial Democracy, Grace Abbott of the Children's Bureau of the Department of Labor, Frank H. Knight of the University of Chicago, Oswald Garrison Villard of the *Nation,* Julian W. Mack, New York jurist. In addition to the cooperation of consulting engineers, technicians, food and health authorities, the organization now maintains a staff of 27 people at its headquarters at 340 West Twenty-third street.

Here come sometimes the "not recommended" manufacturers, and especially their advertising agents (who are more concerned with maintaining their clients' dignity and prestige, Mr. Schlink believes, than the clients themselves). Some two dozen manufacturers have complained personally. Among the toughest people with whom Consumers' Research has had to deal, it is said, were a manufacturer of "de-nicotinized" tobacco (which contained some nicotine) and the maker of a vacuum cleaner which, in spite of certain fancy gadgets, it was thought, was not worth the money. This maker sent his chief engineer in from the Middle West to show the laboratory technicians how to operate a vacuum cleaner.

Though Mr. Schlink (and Mr. Chase) believes that advertising is largely responsible for the present state of things (and for the "accessories" which some manufacturers put on their wares in lieu of essential improvements), Consumers' Research recently took a stab at advertising.

The copy was purely "announcement" and explanatory. The idea was to run it in small space in the more "liberal" magazines. It appeared in the *Nation* and the *New Republic.* It was offered to the *American Mercury,* who welcomed it.

Mr. Schlink thought that *Harper's* was "liberal," and a zealous subscriber suggested *Time.* So he offered to run a quarter-page in *Harper's.* A lady at *Harper's* called up to express regrets. Then Mr. Schlink wrote to *Time.* The subscriber had thought that *Time* and Consumers' Research were "close together in spirit."

Howard Black, eastern advertising manager of *Time,* phoned to express his personal interest in the work of Consumers' Research, but his regrets that *Time* could not accept the copy. Consumers' Research has done well enough without "formal" advertising, though, and probably won't do more of it. The idea has "caught." The work is growing. From a total membership of 565 a couple of years ago, the total, with subscriptions now coming in at the rate of 100 a day, doubtless will exceed 50,000 by 1933.

People are buying more carefully. They are seeking more information about what they buy.

The moral is that some manufacturers should reconsider their products from the consumer standpoint—from the standpoint of consumer value—before plunging in to promote them.

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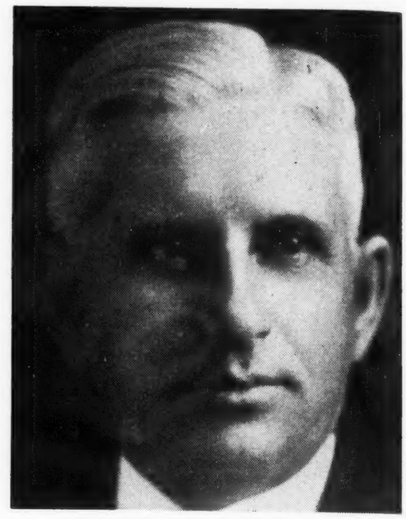
CHICAGO—Supplementing its recent order from the Hammond Clock Company for 1,000,000 electric clocks for distribution in special deals to its United States dealers, the Wm. Wrigley, Jr., Company has purchased 100,000 Hammond electric clocks for its Canadian dealers.



William T. Nardin

## Pet Milk Sales Executive to Head Missouri Life

ST. LOUIS—William T. Nardin, vice-president and general manager of the Pet Milk Company, St. Louis, has been elected president of the Missouri State Life Insurance Company here, succeeding Hillsman Taylor, who resigned last December.

Mr. Nardin, formerly a corporation lawyer, joined Pet Milk as vice-president in charge of sales and advertising fourteen years ago. He will continue to devote part of his time to Pet Milk.

## Marketers Will Analyze Sales Tax, Pro and Con

NEW YORK—Sales and distribution taxes will be analyzed by the New York Chapter of the American Marketing Society at the McGraw-Hill Auditorium, April 21.

The speakers will be Kenneth M. Goode, advertising counsellor, who favors certain types of sales taxes; Ralph Borsodi, of the Borsodi Analytical Bureau, who opposes sales taxation; Dr. Virgil Jordan, economist of *Business Week,* who will discuss the economic problems evolved by sales taxes; and Raymond Bill, publisher of SALES MANAGEMENT, who will sum up the viewpoints and lead the general discussion.

## More Bermuda Tourists Sixth Year in a Row

NEW YORK—For the sixth successive winter the number of tourists attracted to Bermuda has increased.

The gain is attributed largely to the advertising of the Bermuda Trade Development Board in United States Magazines, and of the steamship, hotel and travel companies, chiefly in United States newspapers.

# Smith-Corona's Dealer Programs Create "Spontaneous Prospects"

NEW YORK—L. C. Smith & Corona Typewriters, Inc., has found a way to put its dealers on the air with a brief daily program of sustained interest, which produces prospects "tomorrow morning"—and which is inexpensive in the bargain.

The program, developed by Gordon Laurence, advertising manager, is called "Corona Keys to Contract Bridge." It capitalizes on the interest in bridge—especially among those millions who are now graduating from auction to contract. More than 1,000,000 copies of a folder of contract rules have been distributed, without any promotion on it, in the last six months.

The leaflet, just re-edited to contain the latest accepted rules, is the basis for the new dealer campaign. The radio program covers one "Corona key" each night. Ranging from 150 to 200 words, it requires but two minutes of time. Announced between regular station features, it does not disturb the regular program, and therefore, said Mr. Laurence, is of no expense to the station. Usually the only compensation which the station receives is typewriter maintenance and inspection service, the overhauling of typewriters in use, or payment in the form of rebuilt machines or new portables.

It thus becomes, he added, probably the least expensive form of advertising, and stations welcome it as a novel feature.

Each program offers to supply a copy of "Corona Keys to Contract Bridge" to anyone who will call at a dealer's store. Many come, the next morning, when the dealer also finds out their typewriter needs.

Mr. Laurence wrote the leaflet himself. (He has been playing bridge for twenty years.) Capitalizing on a popular pastime, he believes the plan reaches people who are good typewriter prospects. "Contract bridge," he said, "requires a certain degree of intellect. The type of person who is interested in it is the type who will have an appreciation of the value and need for a portable typewriter, and the money to pay for it."

The plan was first tested in Washington and New York. Then about four weeks ago Mr. Laurence sent a folder to 15 or 20 dealers he knew well—out of the company's total of 2,500—to get them to try it out. These dealers were scattered across the country, to Los Angeles. The dealers were intrigued, the stations convinced. The company's wholesale representatives have been calling on all dealers in the areas of the test campaigns. They have been going back every week or so to check on the number of folders distributed, the number of prospects picked up, and the actual sales attributable to it.

In every respect, he said, the response has been good. Every folder distributed provokes an average of three additional requests for it.

The dealer is asked to have his "Contract Bridge Lessons" listed in the local newspapers' radio programs, and to feature them in the windows, for which a special card is provided.

Before giving the bridge devotee his folder, the dealer inquires casually if he uses and owns a typewriter—if he has seen the new Sterling Model Smith-Corona. His answers help provide the prospect list.

In the next month or two Mr. Laurence expects to have fifty of the campaigns in operation.


## "And Please Let Me Have 3,725 Pounds of Car"

AUBURN, IND.—If automobiles were sold by the pound, like beefsteak and coffee, they would still be a good value today, the Auburn Automobile Company shows in this exhibit for dealers throughout the country.

The price of automobiles, per pound, is lower probably than it has ever been. But there is more to an automobile than weight. Perhaps there is more to a beefsteak, too.

## Nashville Passes Law to Impose a License on Direct Salesmen

NASHVILLE, TENN.—A bill creating a Solicitors' Licensing Board (SM, November 28, 1931), has been passed by the Nashville City Council and became law April 6, on its signature by the mayor.

The law provides that each solicitor, or salesman, representing a principal outside of Nashville and selling direct to consumer, must present himself and his proposition before the board and obtain a license before offering his wares to the public. If approved he gets the license, for $2. If disapproved because the financial responsibility of his principal is questioned, he may still get the license by executing a surety bond in a sum to be fixed by the board, but not to exceed $5,000. If he attempts to sell in Nashville without a license, he is liable to a fine of not less than $5 nor more than $50.

In its somewhat stormy passage of five months through the council and mayor, several amendments were added to the bill. Although many salesmen and merchants opposed it, some favored it—as did the Nashville *Banner* and the *Tennesseean.*

The law is not intended to tax legitimate traveling salesmen, representing legitimate manufacturers and wholesalers of other cities who sell to Nashville stores, but to curb the efforts of the periodical crews that sweep down on the city with worthless merchandise or no merchandise at all—including fake magazine solicitors—and sell direct to consumers, in hotel rooms or at their homes.

Civic bodies in other cities have requested copies of the new law.

WLS

# POPULARITY THAT PAYS!

## WLS Again Proves The Experts Wrong

Saturday night, March 19, Radio Station WLS broadcast its regular Saturday night Barn Dance program from the 8th Street Theatre in Chicago. An admission charge of 50 cents for adults and 25 cents for children was made.

Various experts said it wouldn't pull—or it wouldn't broadcast satisfactorily. And it did both. The theatre was filled to capacity TWICE and over 500 were turned away at the box office because of lack of room. Listeners outside said the air reception to the program was perfect.

It isn't the first time WLS has upset accepted theories. A year ago at the International Livestock amphitheatre over 12,000 people on one night paid 25 cents each to see this same program broadcast in a drive for charity funds. At the Indianapolis State Fair, 7,500 people paid 50 cents each and at Springfield, 3,500—capacity houses in each case.

Then on the air—advertisers told us "afternoon is no good." But ONE five-minute broadcast alone brought requests for 7,650 catalogs on home needlework A half hour on Sunday afternoon, 10,000 requests for free samples. And on Saturday morning "when children are all out at play," a single fifteen-minute program brought over 5,000 drawings, all from children of under 15 years.

Such results—duplicated almost daily—are the result of genuine station popularity. WLS knows its audience; knows what they like—and knows how to produce programs of such popularity to listeners that they pay advertisers.

After all, isn't that what advertisers want?

**50,000 Watts**
**870 Kilocycles**
**Clear Channel**

WLS

**THE PRAIRIE FARMER STATION**

BURRIDGE D. BUTLER, President
GLENN SNYDER, Manager

Main Studios and Office: 1230 West Washington Blvd., CHICAGO, ILL.
50,000 WATTS 870 KILOCYCLES

## Western Union, Postal May Merge Facilities Under I T T Control

NEW YORK—It appears that there were a couple of things portentous about a Coca-Cola advertisement early this week, showing a Western Union and a Postal messenger boy relaxing together over a couple of bottles.

The first was that they were relaxing—in other words, that business was not so brisk. The second was that they were together.

Higher-up members of the Western Union and Postal organizations, after a half-century of keen competition, also have been getting together. Last November (SM, November 28) Postal Telegraph & Cable Company, largest affiliate of International Telephone & Telegraph Corporation, formed an arrangement with Western Union Telegraph Company for the establishment of a nation-wide "printer" telegraph system for instantaneous transmission of subscriber-to-subscriber messages, and intended to combat the invasion of American Telephone & Telegraph Company into this phase of the business (Western Union is a former affiliate of A T & T).

On April 13 Newcomb Carlton, president of Western Union, intimated a still closer relationship with Postal, when he said to stockholders:

"Whether Western Union is destined to stand alone as a corporation, as it has for the past 76 years, I cannot tell, nor whether it will be part of a larger organization."

The "larger organization" is believed to be I T & T.

In 1929 General James G. Harbord, then president and now chairman of the board of Radio Corporation of America, writing in SALES MANAGEMENT, pointed to the advantages, from an economic as well as a military standpoint, of unification of the nation's telegraphic and radio communication facilities. The Behns—Sosthenes and Hernand, chairman and president of I T & T—were agreeable, but Mr. Carlton, head of the strongest factor in the American telegraphic business, was not willing then to consider it.

It appears, though, that Mr. Carlton is coming around. The entire matter, as he said last week, is still "in the mind," but both the Western Union and the I T & T groups seem now to regard it eventually as inevitable—unless there is a marked improvement in business soon.

The merger would create a concern with international assets of nearly $1,000,000,000.

### *Sheet Buyers Prefer National Brands*

BOSTON—Eighty-eight per cent of domestics buyers of stores throughout the country believe national brands to be a more potent sales factor than private brands, the Pepperell Manufacturing Company pointed out this week in announcing results of a nation-wide survey.

Sixty-seven per cent of the buyers favored "special promotions" to "regular selling" as the best sales method.

Sheet sizes were ranked as the principal selling point by 39 per cent of the buyers; guaranteed sheets by 35 per cent; thread counts by 15, and packaging by 11.

## AGA Sets out to Raise $2,000,000 for 1932 Appliance Program

DETROIT—A first year's expenditure of $2,000,000 in advertising to promote the sale and use of gas appliances is contemplated by the Manufacturers' Section of the American Gas Association, John A. Fry, vice-president and secretary of the Detroit-Michigan Stove Company, and chairman of the section's advertising committee, informed SALES MANAGEMENT this week. The three-year program would cost $6,000,000.

"The next step in the procedure is to raise the money," Mr. Frey said. "Until contributions are definitely assured, we are not making any selection of an agency, and are not attempting to work out in detail any of the plans."

The program is intended in part to combat a plan of the National Electrical Manufacturers' Association and of the National Electric Light Association (SM, February 6, March 19 and 26) to launch a cooperative promotional program to increase the sale of electric ranges.

## Lewis Will Conduct Jewelers' Clinic

KANSAS CITY—E. St. Elmo Lewis, Philadelphia business counsel, will conduct a clinic for the Midwest Jewelers' Guild at the Hotel Muehlebach, here, April 17 and 18.

The program covers: business control; relationships with wholesalers and manufacturers; developing better customer relations; and meeting the competition of the wholesalers and retailers.

## Ford Makes 4,000 a Day and Plymouth 1,100; GMC Sells 57,000

NEW YORK—New models or new campaigns of Ford, General Motors, Plymouth and other motor makers (various March issues of SM) already are bearing fruit—although their full effectiveness cannot be judged for several months.

With 100,000 orders placed before the new eight and four were displayed, Ford Motor Company has added 200,000 more—all with cash deposits. Those booming days of '24 and '25 when Ford was turning out 7,000 cars a day—some 2,000,000 a year—do not appear so far off when it is noted that the schedule calls for 4,000 cars a day at least through July. If this rate could be maintained, the Ford production in 1932, with the five-day week, would be nearly 1,000,000 cars. Attendance at showrooms on the first three days of introduction of the new Fords was 13,494,105.

A week after launching its new models, the Plymouth Motor Corporation, Chrysler division, increased production to 1,100 a day. Some 30,000 of them, it is expected, will be shipped this month.

A total of 57,000 passenger cars and trucks were sold by General Motors Corporation during the week of its exhibition in fifty-five cities—April 2-9—and 100,000 prospects were registered. About 5,000,000 people attended the shows.

Largely as a result of a special $1,000,000 campaign on its $995 sedan, sales of Buick Motor Company, GMC division, were 36 per cent larger in March than in February.

## Industrial Advertisers to Meet at Cleveland

NEW YORK—The National Industrial Advertisers Association will meet in tenth annual convention at the Hotel Statler, Cleveland, May 16-18. Advertiser, agency and publisher representatives in the industrial field will participate. A feature will be an advertising exhibit.

Allan Brown, of the Bakelite Corporation, New York, is president of the association. The program is in charge of a committee headed by Forrest U. Webster, of Cutler-Hammer, Inc., and the exhibit, a committee headed by Andrew Broggiani, of National Carbon Company.

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NEW YORK—The Radio Sponsors' Fair, being projected by the *Radio Guide*, New York (SM, March 12), will be held in Grand Central Palace, here, June 6-12.

## Has Management Failed?

(*Continued from page* 63)

statements in the red, increases selling costs, drives the stock of companies down to almost nothing, destroys confidence, and demoralizes all channels of distribution. The conclusion is obvious that any manufacturer can sell his goods at a loss without employing expensive management.

Litigation is an expensive luxury. So it would seem that the least management could do would be to keep its companies and its industries out of trouble with the Government. But one widely publicized business manager of whom I know—and there are many of his type—although he is paid a huge salary and an amazing bonus, is responsible for having his company cited several times for false advertising by the Federal Trade Commission, and now, I understand, his methods are being investigated by the Department of Justice.

Furthermore, this manager started a price war within his industry, and originated several schemes for the purpose of compelling distributors to sell his goods at a loss in order to increase his volume. He has also sold his goods in such a way as to compel one class of trade to subsidize distribution through other classes, and if there is an economic law of distribution he has not broken I have never heard of it.

Why faith in management of the kind persists is one of the present-day mysteries. Plainly, it is time to debunk our fetish of management, and generally to admit that we know little or nothing of the management of economic distribution. We must also admit that present management has proved its worthlessness in good times as well as bad. During prosperity it not only failed to prepare for an inevitable world-wide deflation, but introduced methods that intensified and prolonged depression when it came.

Perhaps these admissions, generally made and thoroughly understood, would give business management the courage to make those changes which are necessary for improvement. As it is, our greatest fault appears to be an unwillingness to face the facts of distribution, and a lack of sufficient courage to take the action indicated by the facts. This lack of courage is apparent throughout all industries, and my own industry furnishes a typical example of the national condition.

Not long ago, at a meeting of our representative manufacturers, a program was presented for consideration which included, among other factors, an agreement to get true individual costs, and to sell nothing below cost. This program had been submitted to proper authorities, and all provisions had been approved as legal and soundly economic. All present agreed that the program, if lived up to, would save the industry from complete demoralization; but not a member of the industry would sign the agreements.

It is obvious that management in my own and other industries is dominated by the fear of competition, and that most of its failures are due to this cause. Management preached cooperation in its hey-day, but doesn't practice it now.

While my company always has sold its production at equitable prices, I am ashamed to admit that for a number of years we thought it necessary to offer services that unnecessarily increased our distribution expense, in order to maintain volume—thus selling some goods without profit. Last year, on this basis, we lost money for the first time in our history.

Neither the international bankers nor our competitors were responsible for our loss, for we found the cause in our mistakes of management. Through analysis, we came to the realization that our first effort should be, not to acquire volume, but to make a profit. We promptly discarded our costly and unnecessary services, repriced our line, and determined to make a profit on every item we sold. We did this in the face of the most unreasonable competition we have ever known, and the outcome proves that we are on the right track.

Volume without profit brings inevitable disaster. Prosperity never was sustained and it never can be regained by selling large volume of goods in a manner that causes loss to manufacturers and distributors. The prosperity of the country is the sum of the prosperity of individual companies—manufacturers and distributors—and the prosperity of those companies depends solely on profits.

In every industry there are a few business managers who realize that we have passed from a production era into one of distribution. They do not strive to save money in the factory in order to be able to lose more in meeting competition. They have refused to cut quality to meet cut prices, and they are making money for their companies.

These managers have discarded the fallacies of so-called modern management. They do not blame Wall Street, the international bankers, the administration or competition for conditions, and they consider as obsolete that management which finds a reason for giving goods away. These managers have gone back to first principles and are conducting their business affairs on a basis of fair dealing and confidence. They are slowly and surely leading American business out of the mess it is in, and during the next few years their success is going to make profits a vastly more popular business subject than volume ever was.

## Selling at Seeman Brothers

(*Continued from page* 65)

force. The cost of stationery being what it is, it is evident that doubling the number of order pads used for the sake of accuracy is not an idle gesture.

Delivery service is the problem of many wholesale grocery companies, as grocers and restaurant proprietors demand speed and more speed. Seeman Brothers salesmen are proud of their shipping department, which is presided over by the O'Leary brothers, Con and Tom, who have been with the company forty-four and thirty-seven years, respectively. A salesman reported, "The other day I 'phoned in a rush order for Long Island, a big one, and asked as a favor that it be delivered the following day. I called at the store the next day and found delivery had been made the same day I gave the order." Such rush orders, which are the great bane of the wholesale grocery business, are usually placed at the back or the front of the truck going nearest to the customer in question, preferably at the back so that the driver may make the rush delivery first, without disturbing his routine for the day.

Another problem is that of out-of-stock items. Theoretically, regularly used products should not be allowed to go out of stock. It is the duty of each department buyer to foresee the demand for his line; his aim is to maintain a balance—not to jam the warehouse, but, on the other hand, not to run short. But for some unexplained reason a specific product may move at a steady pace for months, then suddenly, almost overnight, the demand for it spurts ahead and it would appear that almost every grocer in New York wants vanilla extract, or chocolate pudding, or Norwegian sardines. This is outside the regular seasonal demand for certain items, or that brought about by advertising—for the buyers prepare for those conditions. To take care of "shorts," as they are called, a pick-up truck starts out every morning and gathers merchandise which has been ordered but is out of stock: those articles not regularly carried as well as those only temporarily out.

# Editorials

THE NEW THEORY OF GOVERNMENT: Developments of the last two weeks have amplified fear in the hearts of business men—and even bankers and politicians are beginning to comprehend the real seriousness of what has been happening *and is still happening.* Slowly but surely it is dawning upon the American people that we have already had too much domination of governmental policy by political parasites and *selfish* powers-that-be in the world of finance and business. Everybody seems willing to mangle "the other fellow" but resents anyone stepping on his own toes. Too few realize that this is no pink tea party we are attending, but is a devastating disaster quite as horrible and just as inconsiderate of individual rights as war. No wonder many are beginning to question the soundness of representative government when in the face of such a *great crisis,* they behold the Washington legislators individually stunned by their lack of needed information as regards economics, and when they see the major political parties "cracked-up" as regards both party organization and party leadership. A Democratic senator is now said to be leading the Republican side of the Senate. A Republican (La Guardia) led the Democrats of the House to revolt against Garner's leadership. Confusion is fostering panic and a panic is making a madhouse of our seat of government. . . . If this sort of thing were to keep up much longer the rest of the country might go "nerts" too. But it won't keep up because it can't keep up. Like a human body beset with fever, our economic body must soon, for better or for worse, pass through the final crisis. If the fever wins—the fever generated by the germs of panic, selfishness and ignorance—we shall experience some form of social revolution. If the body wins—as seems most likely—we shall soon enter the stage of convalescence with good health (representing sound prosperity) in the offing. . . . The question of the moment is: "Which way are we going?" The answer lies in the extent to which we can permeate legislators, financiers and business men with economic understanding. . . . In recent years the whole theory of government has undergone a radical change. Today, government in whatever form must be premised on *successful internal economics.* . . . The issues of today are such as these: Must the national budget be balanced and, if so, why? Must we stick to the gold standard and, if so, why? Must we avoid so-called inflation and, if so, why? Must we solve unemployment with a dole or with opportunities for work? Then there are secondary phases of the same questions, such as these: If the budget *must* be balanced, how can it *best* be balanced? If we must *stay* on the gold standard, how may we be sure that we *are still* on the gold standard? If we must *avoid* inflation, how can we *prevent* inflation? With what kind of dole or with what kind of work can we best solve unemployment? These are only a few of the many momentous problems of the day, all of which are primarily economic in nature. . . . In solving these problems we must, as a nation, scrupulously avoid partisanship and we must also be certain that latent wisdom overrules the ignorance and incompetence in dealing with such matters that have of late so completely dominated the surface. . . . The new practice in government requires sound internal economics and don't forget that qualification *internal,* meaning domestic. More about this later, and meanwhile the editors of SALES MANAGEMENT will help keep the ball rolling in the right direction by tackling the bugaboo of "The Balanced Budget."

THE BALANCED BUDGET BUGABOO: Recently it has become of paramount importance to see that our national budget is promptly balanced. The advocates of such a policy are numerous and endowed with reputations for intelligence. The mob which has taken up the same hue and cry has fanned up a white heat. No longer are legislators debating the wisdom of such a course; all efforts are now bent on finding the ways and means of balancing the budget. To judge from some of the recent plans to "soak the rich" (should be *erstwhile* rich), confiscate capital and stifle business, it has ceased to be a requisite that the plan for balancing the budget be founded on *sound internal economics.* . . . To all of this, the editors of SALES MANAGEMENT take violent exception. We challenge not only the proposed means of balancing the budget, but the advisability of balancing it at all during these immediate times. We think "balancing the budget" has become a fetish and we openly condemn Ex-secretary of the Treasury Mellon, the incumbent Secretary of Treasury and others for their insistence on such a policy to a point where they have precipitated a veritable riot in Congress and thereby thrown American business men into a deeper state of fear. . . . It is nice to be conservative, but in wars and panics conservatism must take a back seat. The deflationists and debt collectors (conservatives both) have already wreaked havoc not only among their debtors but also among themselves. Conservatives of the financial world forced liquidation at a pace which proved not only heart-breaking, but back-breaking as well. Now the same element wants to insist on balancing the budget by higher taxes shoved on business which is already largely bankrupt and on a public which is already mostly bereft of its all. So long as existing conditions prevail, the whole idea is not only ridiculous; it is insane. . . . Most private business concerns have been forced to balance their budgets,

not from choice but from necessity. The idea of a balanced budget is therefore easy to "sell." Moreover, everybody likes the theory of conservatism. The fallacy lies in thinking the government must do the same thing as business or that conservatism, however desirable, is always wise. . . . To be more specific, why should we reduce our capital obligations by $500,000,000 and call that part of balancing an *operating* budget in times like these? Why should we regard our charities (in the form of about $1,000,000,000 payable to ex-service men) as an *operating* charge in times like these? Should not we pay such gigantic charities out of the proceeds of good times instead of lashing them on the back of a people that is now being asked to give and to give up in a hundred and one other directions? Must we continue to spend hundreds of millions supporting the theories of fanatic prohibitionists whilst turning billions in liquor taxes away from government treasuries into the corrupting hands of criminal racketeers? Must we balance the budget to please France and other countries who know full well that so long as the dollar is as costly as it now is, our hopes of export markets for manufactured and farm merchandise are indeed slim? Must we pile on new taxes that terrify Wall Street and precipitate new waves of stock selling? Must we pay for postoffices and other public works—which are obviously capital investments, and charge such expenditures (advisable as they are) to *operating* expense during a depression year? Must we destroy the confidence of our people in the soundness of representative government by trying to do the impossible simply for the sake of trying to arrive at a currently balanced budget? . . . SALES MANAGEMENT says NO. We think substantial items should be deliberately moved forward to be taken care of in later, more prosperous years. We think current taxation should be *lightened.* We think governmental expenditures of all types should be sensibly curtailed. We think our national budget should be balanced only to the extent that governmental expenditures can be properly allocated to a depression period. We think it high time that more of the men in our public life developed a depth of understanding in domestic economics which, added to red-blooded courage, will duly qualify them to be looked upon as real political leaders when appraised in terms of *sound* accomplishment. . . . The individuals suffering from the fetish of the balanced budget no doubt contend that any other policy will contribute to inflation and will impair the credit of the United States Government. So-called inflation is inevitable and is already proceeding. How anybody can refer to this movement as "dangerous inflation" is impossible to comprehend. We are now so far below par that the return to a normal of 100 or even close to this level cannot be regarded as inflation at all. Inflation starts at 100, not at 50, as some people seemingly contend. As to the other point, the credit of the United States is so vastly greater than the difference between an insanely balanced budget and a properly balanced budget as urged in this editorial, that it is nothing short of traitorous to talk about serious impairment of our national credit.

*—Ray Bill.*

## Young Mr. Newell Starts Out to Widen Frigidaire's Market

*(Continued from page 67)*

Frigidaire now, too. There will be furniture, hardware, radio stores and others added to our list of dealers where we need better coverage.

"Our program of establishing dealers is in no way promiscuous," Mr. Newell explained. "We pick dealers carefully. We also do everything in our power to see that new and old dealers operate effectively—in their interest and ours—both through more aggressive selling and by plugging up leaks through which profits may slip.

"We assist our dealers whose business is either entirely or largely Frigidaire, to install a standardized bookkeeping system. Monthly profit and loss statements are sent to us by these dealers. These are analyzed and consolidated in our home offices. Suggestions and recommendations are sent to dealers on how to improve their profits.

"We have a definite plan of assisting a dealer to budget his sales and expenses, six months in advance. This gives him a control over his business and insures more profits."

Mr. Newell didn't stay in Dayton long. The lower priced line in production, the sales and promotion plans for the year worked out, he was out on the road with a number of his executives. They have just wound up a series of meetings with dealers and their salesmen in thirty-nine cities, from coast to coast, in anticipation of the principal refrigeration sales season from April 1 to June 30. (Approximately 40 per cent of the year's refrigeration business normally is done in this period). The New York meeting, for example, was attended by 1,300 men.

"The purpose of these meetings," he explained, "is fourfold:

"1. To acquaint the dealers with the new plan and the new market, and of ways we have developed to tackle it;

"2. To sell them on opportunities in the new market *in addition* to the old;

"3. To inform them about our new products, sales aids and selling tools;

"4. To inspire them to develop *both markets* to the utmost."

These meetings were put on by four crews of six men each. Each crew carried a baggage car filled with stage properties, settings and equipment.

The meetings lasted five hours and

were a regular theatrical production of talking pictures, playlets and dramatizations of how to sell Frigidaire.

The thirty-nine cities were covered in three weeks' time.

This whole sales program was created, organized and presented in this most dramatic form to over 12,000 Frigidaire salesmen and dealers all over the United States—in just two months.

The sales program is being backed by one of the largest advertising programs in the corporation's history. (Mr. Newell is not "afraid" of advertising, now.)

The program today is only a month old. It was launched in the face of unseasonably cold weather. But the public is showing interest. New dealers are being developed. New possibilities for this youngest major industry appear capable of being realized.

"Know your market, your product, your sales outlets and your men. Develop them to the utmost of their possibilities," Mr. Newell said, "and many difficulties that seem insurmountable will work themselves out.

"A lot of people who have wanted Frigidaires are able to buy them now. Hundreds of additional salesmen, dealers, factory workmen and office employes will be given work and added incomes in the carrying out of this program—and, I think, the Frigidaire Corporation will greatly increase its business."

## GE Refrigerator Group Adds 1,600 Dealers

Cleveland—Sixteen hundred dealers have been added by the Refrigeration Department of General Electric Company in the last few months as the result of a "dealer recruiting campaign."

J. A. Vaughan, wholesale manager of E. O. Cone Company, distributor at El Paso, was awarded $500 in cash, first prize money in the campaign. Second prize, $300, went to M. B. Mendenhall of Warde B. Stringham Company, Des Moines. Six other distributor executives also received awards.

Mr. Vaughan obtained 275 per cent of his quota of new dealers, Mr. Mendenhall 259.

Nearly half of the distributors in the United States obtained 100 per cent or more of quota.

## Steel Men to Meet

New York—The spring meeting of the Steel Founders' Society of America, Inc., will be held at the Roosevelt Hotel, here, May 18, the day preceding the meeting of the American Iron & Steel Institute.

# Media and Agencies

Ultra-conservative in their attitude toward public relations, almost without exception banks put the lid on any sort of news statements or publicity when things began going bad, on the theory that silence could less easily be misconstrued than statements. But like the silence of the night, the guardedness of the banks has in no small degree increased apprehension and lack of confidence. Carroll Dean Murphy has, in some measure at least, put over an idea for combating the prevailing attitude toward banks that many organizations in all parts of the country have been exerting unavailing effort on ever since the depression began. Under the auspices of the New Business Corporation, Chicago, many banks are cooperating in a plan to establish confidence in the banking system, but taking the public into its confidence. Though national in its viewpoint, the organizers of the Confidence-Building program have adopted an approach that any bank can safely use in its local community. In no way competitive, defensive, argumentative or selfish, the prime motive of the publicity will be to replace mistrust and discouragement with confidence and courage in the country's basic institutions. Advertising, institutional display units, and a widely distributed booklet called "Looking Ahead with Banking," are the initial steps in Mr. Murphy's plan. The program has been endorsed by the Financial Advertisers Association, represented by H. A. Lyon, advertising manager of the Bankers Trust Company, New York, Jacob Kushner, assistant secretary and advertising manager, United States Trust Company, Paterson, N. J., and Frank G. Burrows, advertising manager, Irving Trust Company, New York.

* * *

*Editor & Publisher* will exhibit each of the 1931 newspaper promotion campaigns awarded honors or prizes in its recent completion, at the E & P booth at the A. N. P. A. convention, Hotel Waldorf-Astoria, the week of April 24. That excellent series of market-fact advertisements run by *the Oklahoman and Times* exclusively in SALES MANAGEMENT last year (and which is being continued this year) was awarded the first prize, if you remember, as "the most valuable campaign of three or more trade paper advertisements." The campaign gets over the essential market facts of the Oklahoma City trade territory with a combination of good copy and striking illustration, and is prepared by H. E. Ramsey, manager of the promotion department, with the assistance of his capable lieutenant, John Blatt.

* * *

At the moment Professor George Gallup is dividing his time between the professorship of marketing at Northwestern University and visits to the New York office of Young and Rubicam in connection with some copy research he has underway. On May 15 Professor Gallup will give up his chair at Northwestern entirely, and devote himself entirely to Young and Rubicam's copy research problems.

* * *

Charles C. Younggreen, a director of the Advertising Council of the Chicago Association of Commerce, has been appointed chairman of the National On-to-New York Committee for the forthcoming twenty-eighth annual convention of the Advertising Federation of America. The On-to-New York chairman will have responsibility for enrollment of advertising, business and industrial leaders to attend the 1932 convention, which will be held at the Hotel Waldorf-Astoria from June 19 to 23.

* * *

Hark back to Media (February 20) and you'll find a description of Scripps-Howard's recently devised "truline" method of measuring space costs. ("To calculate the truline rate is to divide the total circulation by the effective circulation, and multiply by the line rate.") Scripps-Howard's current salutation to *Standard Rate & Data Service,* in recognition of its adoption of the policy to present circulation figures on a percentage basis . . . city (per cent), trading territory (per cent), all others (per cent), shows that the seeds Scripps-Howard sowed have taken root.

* * *

The receivership of *Wallace's Farmer and Iowa Homestead* at Des Moines, Iowa, completed last week, will in no way affect the other farm publications which, with it, comprise what is called the Mid-West Unit. The associated papers are: *The Prairie Farmer* (Illinois edition); *The Prairie Farmer* (Indiana edition); *Nebraska Farmer; Farmer & Farm, Stock & Home;* and the *Wisconsin Agriculturist and Farmer.* Though the Mid-West Unit carries on research work and is so organized that the advertising department solicits for the entire group, each publication is separately owned, thus being immune from the effects of a receivership in their midst.

* * *

Account changes: The Wahnetah Silk Company to N. W. Ayer & Son, Inc.; Montgomery Ward & Company, Inc., to Lord & Thomas and Logan; Regal Shoe Company to Frank Presbrey Company; The Briggs Manufacturing Company to Advertisers, Inc.; The Doughnut Machine Corporation to N. W. Ayer & Son; The Hotel New Yorker to Ruthrauff & Ryan; Carvac Corporation to the Wales Advertising Company, Inc.; Borden Ice Cream Company to Seehof & Hoops, Inc.; The Society of American Florists and Ornamental Horticulturists to P. F. O'Keefe; Pennsylvania Rubber Company to William H. Rankin Company; Simplex Poston Ring Sales Company to Clark-McDaniel-Fisher & Spelman; Heater Division of Motor Wheel Corporation to C. C. Winningham, Inc. . . . In addition to General Electric Radio, Young & Rubicam, Inc., will handle General Electric's Home Laundry Equipment, Heating Appliances, Fans, Vacuum Cleaners, Sun Lamps, Clocks and Sewing Machines; General Electric broadcasting will continue in the hands of Batten, Barton, Durstine & Osborn. . . . Globe Industrial Loan account to William H. Rankin Company (newspapers, radio and direct-mail); Waite, Thresher Corporation to Danielson & Son.



## Personal Service and Supplies

**Classified Rates: 50c a line of seven words; minimum $3.00. No display
Cash Basis Only. Remittance Must Accompany Order**

### SALESMEN WANTED

WANTED — BANK SALESMEN FOR THE famous FLAT LAY ROLL RING BINDER, also a full line of Pass Books and Check Covers for banks. The Pass Book and Check Cover Company, 232 Broadway, Denver, Colorado.

### EXECUTIVES WANTED

IF YOU ARE OPEN TO OVERTURES FOR new connection and qualified for a salary between $2,500 and $25,000, your response to this announcement is invited. The undersigned provides a thoroughly organized service of recognized standing and reputation through which preliminaries are negotiated confidentially for positions of the calibre indicated. The procedure is individualized to each client's personal requirements, your identity covered and present position protected. Established twenty-two years. Send only name and address for details. R. W. Bixby, Inc., 118 Downtown Building, Buffalo, N. Y.

### SALES PROMOTION

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